

# Regulation No. 3 – Governing Societies Undertaking Life Insurance Transacted on the Assessment System

*Repealed*

by S-26 Reg 8 (effective October 3, 2003).

*Formerly*

Saskatchewan Regulation 574/68  
(effective November 5, 1946).

**NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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**SASKATCHEWAN REGULATION 574/68**  
under *The Saskatchewan Insurance Act – Section 125*

REGULATION NO. 3

Governing Societies Undertaking Life Insurance  
Transacted on the Assessment System

**Interpretation**

1 In this regulation:

- 1 “**Act**” means The Saskatchewan Insurance Act;
- 2 “**contract**” means a life insurance contract or policy and includes a document evidencing membership in a society;
- 3 “**life insurance transacted on the assessment system**” includes:
  - (i) any contract in which the premium or rate of contribution consists of sums uncertain or variable in time, number or amount; and
  - (ii) any contract whereby the benefit is in manner or degree made dependent upon the collection of sums levied upon persons holding similar contracts or upon members of the contracting insurer.
- 4 “**society**” means a society organized in Saskatchewan prior to the first day of January, 1933, and undertaking life insurance transacted on the assessment system.
- 5 “**superintendent**” means the Superintendent of Insurance and includes the Deputy Superintendent of Insurance.

**Application of certain provisions of the Act**

2 The provisions of the Act governing inspection of the affairs of insurers, the furnishing of reports and other information by insurers to the superintendent, investments by insurers and the provisions of Part V of the Act shall apply, *mutatis mutandis*, to every society.

7 Dec 46 SR 574/68 s2.

**Filing and approval of bylaws and rules**

3(1) Every society shall, within thirty days after the passing or adoption thereof, file in the office of the superintendent duly certified copies in duplicate of every amendment, revision or consolidation of articles or provisions of its constitution, bylaws and rules which contain material terms not set out in the instrument of contract adopted by the society.

(2) The superintendent may, within thirty days after the date of filing documents under subsection (1), take exception to any amendment or revision or any part thereof if, in his opinion, such amendment or revision or any part thereof is: (i) contrary to the provisions referred to in section 2 of this regulation or with the provisions of this regulation, or (ii) oppressive to, or discriminatory in application against, any class of the membership of the society, or (iii) unjust or unreasonable.

GOVERNING SOCIETIES UNDERTAKING  
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ON THE ASSESSMENT SYSTEM

(3) If the superintendent takes exception to such amendment or revision or any part thereof, he shall forthwith notify the society thereof in writing and the reasons therefor.

(4) The society, or any person who deems himself aggrieved by the decision of the superintendent, may appeal therefrom to the minister.

(5) The original constitution, bylaws and rules and any amendment, revision or consolidation thereof, to which the superintendent does not take exception, or which, after the superintendent has taken exception to any amendment or revision or any part thereof, have been further amended in accordance with the superintendent's direction, or which after the superintendent has taken exception to any amendment or revision or any part thereof have been approved and confirmed on appeal from the superintendent as herein provided, shall be certified by the superintendent to be duly passed by the society as filed.

(6) The constitution, bylaws and rules and any amendment, revision or consolidation thereof so certified shall, notwithstanding any declaration or other instrument filed under any general or special Act, be deemed to be the constitution, bylaws and rules in force on and after the date of the certificate until a subsequent amendment, revision or consolidation is in like manner certified and filed, and so from time to time, and shall be binding and obligatory upon all members of the society and upon all their beneficiaries and legal representatives and upon everyone entitled to any benefit under a contract of the society; provided that the failure of the superintendent to take exception to any constitution, bylaws or rules of the society or amendment or revision thereof, and his certifying and filing of the same, shall not make valid any provision of such constitution, bylaws or rules which is inconsistent with the provisions referred to in section 2 of this regulation or with the provisions of this regulation.

7 Dec 46 SR 574/68 s3.

**Rules deliverable on demand**

4(1) A copy of the constitution and of all bylaws and rules of a society relating to its contracts and to the management and application of its insurance funds shall be delivered by the society to each member.

(2) If an officer or agent of a society, with intent to mislead or defraud, gives to any person a copy of the constitution, bylaws or rules other than those in force on the pretence that the same are then in force he shall be guilty of an offence and liable on summary conviction to a fine of not less than \$20 nor more than \$100.

7 Dec 46 SR 574/68 s4.

**Unmatured contracts as liabilities**

5 No unmaturing contract shall create any claim or liability against the society while a going society, or against the estate of the society in a winding up or liquidation, but in a winding up or liquidation the insured or beneficiary for value under such unmaturing contract shall be entitled to share in the surplus assets of the society.

7 Dec 46 SR 574/68 s5.

**General or expense fund**

**6** The governing executive authority of a society may make such additional levies from time to time upon all members of the society as are, in the opinion of the authority, necessary to carry on the work of the society and prevent any deficit in its general or expense fund, and to pay such supervisory fees to the superintendent as are provided in this regulation, and such additional levies shall be binding on the members of the society notwithstanding anything to the contrary in its Act or instrument of incorporation, or in its constitution, bylaws or rules or in any contract heretofore or hereafter issued by the society.

7 Dec 46 SR 574/68 s6.

**Validation of certain contracts**

**7** If a society admits as a member or makes a contract with a person who is not qualified in respect of age, that person shall, after the lapse of five years, in the absence of fraud on his part and if he has fulfilled his obligations to the society, be deemed to have been properly admitted as a member and to hold a valid contract.

7 Dec 46 SR 574/68 s7.

**Reinstatement of membership or rights**

**8** When a society suspends or terminates any membership or any right under a contract, for default in payment of any fee, assessment or other sum, the member or holder of the contract shall be entitled to have his membership or rights reinstated upon application within one year from the date of suspension or termination and upon payment of the said fee, assessment or sum and of all sums payable by him to the society during the period of suspension or termination and upon submitting to the governing executive authority, on a form prescribed by it, satisfactory evidence of insurability, either by a medical examination or by a statement of good health.

7 Dec 46 SR 574/68 s8.

**Variation of rights of member on account of age**

**9** A society shall not terminate any membership or vary any right under a contract by reason only that the member or holder of the contract has reached a certain age, unless the bylaws or rules in force when the member was admitted or the contract was made expressly provide for such termination or variation.

7 Dec 46 SR 574/68 s9.

**Documents to be attached to contracts**

**10** A society shall attach to every contract issued by it a true copy of the application of the member, together with a separate notice directing his attention to the effect of incorrect statements in his application.

7 Dec 46 SR 574/68 s10.

**Power to reduce benefits, increase rates and make other changes**

11(1) A society may, by amendment of its constitution, bylaws or rules reduce the benefits or any of the benefits payable under its contracts, increase the rates of contribution payable by its members or by any class or classes thereof, and make such other changes as are necessary to carry out the purposes of the society.

(2) Such amendments, when adopted at a general meeting or special meeting of the society called for the purpose, shall be binding upon the members of the society and upon their beneficiaries and legal representatives and upon all persons deriving rights through any member or beneficiary, notwithstanding anything contained in the constitution, bylaws or rules of the society or in its Act or instrument of incorporation or in any contract.

7 Dec 46 SR 574/68 s11.

**Agents**

12(1) Every person who acts as agent for a society shall hold an agency agreement with the society.

(2) Every person who acts as agent for a society shall register with the superintendent, using such form as may be provided by the superintendent, and the fee for such registration shall be \$5.00 per annum: Provided that the holder of a certificate of authority under the Act shall not require to register. Such registration shall expire on December 31st of each year.

(3) No agency agreement shall be entered into or continued unless the agent has complied with subsection (2) of section 12 of this regulation.

(4) Every society shall file with the superintendent the names and addresses of its agents.

(5) If the superintendent finds, after due investigation by him or by his duly accredited representative, that an agent:

- (a) has violated any provision of this regulation; or
- (b) has been guilty of misrepresentation, fraud, deceit or dishonesty; or
- (c) has unreasonably failed to forward promptly to a society any application for membership therein received by him or to pay over to a society any money collected by him as its agent; or
- (d) has solicited insurance for any insurer not licensed under the Act, other than a society; or
- (e) has demonstrated his incompetency by reason of anything done or omitted to be done in or about his agency business;

the superintendent shall notify the society of the fact and on receipt of such notice the society shall forthwith cancel its agency agreement with the agent.

(6) The agent shall have the right of appeal to the minister.

(7) The society shall report to the superintendent any violation of subsection (5) and all cancellations of agency agreements.

7 Dec 46 SR 574/68 s12.

**Inspection and supervision fees**

**13** There shall be paid on or before the 31st day of January in each calendar year by each society to the superintendent for inspection and general supervision of the affairs of the society the following fees:

- (a) a society with 2,000 member or less ..... \$40.00
- (b) for each additional 1,000 members or fraction thereof  
in excess of 2,000 members ..... 10.00

Where a society consists of more than one group or section whereby the records, claims, and assessments of each group or section are kept separate and distinct, each group or section shall be deemed to be a society for the purpose of this regulation.

7 Dec 46 SR 574/68 s13.

**Penalties**

**14** Every society and every person acting as agent for a society who contravenes any of the provisions of this regulation shall be guilty of an offence and liable on summary conviction to a fine of not less than \$20 nor more than \$100.00.

7 Dec 46 SR 574/68 s14.

